March 22, 2000

Mary Ann Wright, Associate Director of Mining State of Utah Department of Natural Resources P.O. Box 145801 Salt Lake City, UT 84114-5801

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DIVISION OF OIL, GAS AND MINING

Greetings,

I am in receipt of your 3/17 letter concerning the permit fee for Ebony & Ivory mining claim. We must get the information straight on this issue. In my conversations with Mr. Munson over the course of the past year I have told him the following;

- A. Our work on this claim involved some very minor sampling, approximately 5 tons of stone.
- B. Previous operators did tractor work on the claim prior to my purchase.
- C. We relinquished this claim over 1 year ago because we could not see a possibility of profit due to all of the fees from various agencies and an overlapping layer of bureaucratic red tape and endless paper work.
- D. We paid all of our fees, assessments and filed the required reports up until the time we elected to terminate this claim.

The B.L.M. was suppose to inspect many months ago, but nothing has happened. I can not be responsible for a grossly inefficient bureaucracy that does nothing but waste the tax payers dollars and take forever to get the simplest job done. Our activity on this claim merely constituted some very minor discovery work and I do not feel that we are legally obligated to pay your fees or the B.L.M. fees after the property has been relinquished. This fee thing, along with the relentless and unnecessary barrage of paper work has simply gotten out of hand and is killing the incentive for the small operators to take the risks involved.

We are probably the only company in our type of business who does a first class job in Utah. We have spent many, many thousands of dollars over the years improving the areas where we work. Others destroy the land and you seem to make absolutely no progress in taking those people to task. We are a permanent part of the small mining-quarrying business and are not going anywhere soon. After years of seemingly friendly communication Mr. Munson has become antagonistic with his communication. All we get is lip service from the bureaucracy, whether it be state or federal. This is a classic example of taking months and sometimes years to accomplish something that should only take days. I cannot and will not be a pawn in this ridiculous game. My reputation will stand firm and I suggest that you get your people to do their job in a friendly and efficient manner. You will find that we are one of the rare companies that will respond if you are fair, friendly and efficient

I have enclosed my most recent communication to the B.L.M. that echoes my frustration with their inefficiency.

Sincerely,

Gary Mullard President

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enclosures: Glen Carpenter letter, N.W. Mining Assoc. mining bulletin

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